

Washington, DC - Working to give businesses access to capital that will help spur economic growth, Congresswoman Linda Sánchez (CA-39th) introduced her first bill in U.S. Congress. Sánchez, a Member of the U.S. House Small Business Committee, presented her bill today to local small businesses leaders at a “listening session” she organized for the 39th District on May 29th.

“When small businesses can’t find capital, they can’t survive. With the current economic downturn, finding capital is becoming harder and harder for small firms. Many are forced to use credit cards, or depend on family and friends to fill the financial gap,” explained Congresswoman Linda Sánchez.

This year the Small Business Committee will reauthorize the Small Business Administration (SBA), and will address one of the most critical challenges facing small businesses – access to capital.

“SBA loan programs are critical to the survival of small businesses. Last year, these programs provided \$21 billion in capital, accounting for 40 percent of all long-term small business lending to our country’s entrepreneurs. However, this year has been difficult for many SBA loan programs. Some of the most important lending programs like the 7(a), 504, Microloans, and Small Business Investment Centers (SBIC’s) have been plagued with higher fees, lack of funding, and problems with subsidy rates,” explained Sánchez.

“Concerns also have arisen that SBA has been too focused on making more small loans and offering short-term credit, and has lost sight of the reason the SBA loan programs were created in the first place. The original purpose of these programs was to provide long-term capital to this nation’s small businesses, and we need to return to that purpose,” said Sánchez.

Sánchez’ bill will increase the maximum amount under the MicroLoan program from \$35,000 to \$50,000.

“With my legislation, small business owners will have greater access to the capital they need to expand or pursue business ventures. This will help by bolstering the economy and providing new jobs,” Sánchez said.

Currently, SBA loan programs make up almost half of all public and private financing.

“Imagine what would happen if businesses were able to get adequate funding. These programs could finance the next Microsoft or Fedex, which have revolutionized the way we do business,” Sánchez said.

“Working together, I know that we can make the lending environment more responsive to small businesses. Given the current economic situation, small businesses need our help now more than ever. And it is the SBA loan programs that can make a real difference,” concluded Sánchez.